

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

336B0084

HOUSE BILL NO. 1255

Introduced by: Representatives Wetz, Brown (Jarvis), Duenwald, Jaspers, Koskan, Pummel,
Solum, and Sperry and Senators Johnson (William), Drake, Kleven, and Vitter

1 FOR AN ACT ENTITLED, An Act to revise the railroad tax credit.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 10-28-21.1 be amended to read as follows:

4 10-28-21.1. Any publicly operated railroad or railway corporation operating over rail lines
5 located within this state may claim a credit against the tax levied on such rail lines for amounts
6 which the railroad or railway corporation has certified as having been expended in the
7 replacement and repair of such rail lines. Only those expenses of a capital nature may be certified
8 as an expense eligible for a credit pursuant to this section. The certification required by this
9 section shall be on forms provided by the Department of Revenue. The labor and material
10 expenses certified pursuant to this section shall be itemized separately. The credit provided in this
11 section shall be applied proportionally across the railroad's entire mainline within this state. The
12 credit shall be applied to tax liability over a three-year period in an amount equal to thirty-three
13 and one-third percent the first year following certification; thirty-three and one-third percent of
14 such an amount shall carry forward into the second year following certification; and thirty-three
15 and one-third percent shall carry forward into the third year following certification. Each year's

1 carryover shall be accumulated as a tax credit with other years' annual tax credits. No credit may
2 be given for the repair or replacement of railway line necessitated by washout, fire, or train
3 derailment. No rail line carrying ~~over ten~~ more than five million gross ton miles per mile annually
4 may receive a credit pursuant to this section. ~~Any rail line which carries between five million and~~
5 ~~ten million gross ton miles per mile annually shall receive a credit for only one-half of the~~
6 ~~expenses certified pursuant to this section.~~ The provisions of this section do not affect credits
7 certified prior to January 30, ~~1994~~ 1998.